

**Submission
No 19**

INQUIRY INTO FUNERAL INDUSTRY

Organisation:

Name: Ms Lisa Casey

Telephone:

Date Received: 27/05/2005

Theme:

Summary

Submission 19 Funeral Industry

Author

Name	Title Ms	First Lisa	Surname Casey
Organisation			
Position			
Address			
Telephone			
Email			

Submission

Submission #	19	
# Pages	# Appendices:	
Received	27/05/2005	Acknowledged: 30/05/2005
Type	Web	
Contact Type		
Publication Status	Public	Requested Status: Public
Subject	Submission to Funeral Industry lodged by Lisa Casey	
Summary		
Generate in Word	Submission Cover Acknowledgement Letter	

Attachments

27 May 2005

To Whom It May Concern:

Attached is a submission to the NSW Legislative Council Inquiry into the funeral industry.

I am a concerned citizen writing with the hope of alerting the state government and relevant industry bodies to some of the problems currently developing within the funeral industry.

The submission specifically addresses three areas, according to points (a), (b) and (e) of the terms of reference. They are:

- 1) increasing funeral costs
- 2) environmental concerns with burial and cremation, and
- 3) the lack of community dialogue about death and funeral preparation.

I would appreciate any information about the outcome of the Inquiry's consideration of this submission.

Yours Sincerely,
Lisa Casey

Submission

NSW Legislative Council Inquiry into the Funeral Industry

Lisa Casey

27 May 2005

Contents

Contents1

Introduction3

1) Changes in the funeral industry in the past decade including the cost of funerals3

 1.1) High (and increasing) costs3

 1.2) Consequences of these high costs4

 1.3) Recommendations4

2) The availability of burial spaces and options for increasing the supply of spaces ...5

 2.1) Environmental problems with burial5

 2.2) Environmental problems with cremation5

 2.3) Residual “fear” of cremation5

 2.4) Recommendations5

3) The adequacy of legislation in meeting community needs6

 3.1) Lack of community dialogue about death and funeral funding6

 3.2) Recommendations6

Conclusion6

Recommendations6

References7

Introduction

Recent rhetoric and policy at both the state and national levels of government have focused on the idea that Australia has an “aging population”. In other words, there is an increasing percentage of the population who will be requiring the services, facilities and financial benefits designated to the over 55 age group. But while our politicians are building policies to deal with the living, some thought must also be given to the financing of their funerals, as the need for such preparation becomes more acute. The cost of a funeral, after all, is an increasingly large expense and can, unfortunately, become a painful legacy left for family members to bear.

I am concerned by some of the issues currently developing within the funeral industry. In general, I see most of these issues as originating with the lack of community dialogue about death and funeral arrangements within both communities and their family units. My main points of contention are then in relation to the following elements of the Inquiry terms of reference:

- a) changes in the funeral industry in the past decade including the cost of funerals,
- b) the availability of burial spaces and options for increasing the supply of spaces,
- e) the adequacy of legislation in meeting community needs.

I hope to see, after the completion of this Inquiry, that some changes occur in the funeral industry and in the community itself. My main concerns are that the costs of funeral services and products become less of a blow to the average family’s hip-pocket, particularly in a time of distress and grief, and that the topics of death and funeral planning are encouraged to be subject to greater community discussion.

1) Changes in the funeral industry in the past decade including the cost of funerals

1.1) High (and increasing) costs

It is commonly said that the only two certainties in life are death and taxes. It is somewhat disheartening to know that our final tax contribution will be our funerals. The Howard government may have spared the pre-paid funeral buyers of added tax when the GST was introduced in 2001, but funerals costs have increased hugely since, and so, therefore, has the GST incurred.

I question if this trend of rising funeral costs has come about because of the forward-thinking funeral industry preparing for the future high demand for funeral services that Australia’s “aging population” will inevitably require.

Funeral director costs alone are extremely high, for example, my grandmother’s pre-paid funeral arranged in 1998 included \$1190 for the services of the hearse and funeral home staff. This alone is inexplicably high, without considering the GST and the other price rises that constitute today’s charge of approximately \$1860 at the same funeral home. I fail to understand the justifications for such a high charge when the actual covering of costs, such as petrol and wages, would be far less. It seems a

classic case of heavy mark-up and profiteering – a trend that now encapsulates the funeral industry. It is also important to note that this funeral service is considerably less expensive than those from other funeral homes in Newcastle.

A low estimate of the current total cost of a funeral service with a cremation is \$4100, and for a funeral service with a burial it is \$4400. My grandmother's pre-paid funeral arrangements in 1998 totalled \$2806 plus columbarium expenses. This is a considerable rise over a seven-year period for what is only the standard service. The cost of a funeral could expand to many more thousands of dollars if desired.

1.2) Consequences of these high costs

Not all funerals are for members of the aging population. When a person's death is sudden and unexpected, funeral costs can greatly increase the trauma for the family of the deceased. A low estimate of the total cost of a funeral service with a cremation is \$4100, and for a funeral service with a burial it is \$4400. There are many situations where the sudden need to cover an expense of this size could financially cripple a family in cases where the family's financial situation does not allow for a funeral for a deceased destitute person.

For unplanned funerals, costs are more likely to include extras that a planned funeral would have avoided, such as more embellished caskets or elaborate gravesites that were chosen in haste and with heightened emotion and sentimentality, and perhaps with a gentle shove from the funeral organiser. While it may or may not occur in practice, a person is vulnerable at their time of grief to being talked-into extra and unnecessary costs.

1.3) Recommendations

The NSW State Government should consider some form of cost regulation within the funeral industry, specifically in relation to the basic services that constitute a standard funeral, such as determining a lower and fixed percentage of mark-up on cost price of these services.

Items specific to funeral services such as caskets and cremation and burial fees should be exempt from GST.

The NSW State Government could establish an education campaign designed to inform people about their options for funeral arrangements, an overview of the costs involved and how to pre-arrange funeral services so that the financial strain is less likely to fall unexpectedly on family members in the event of a sudden death. This initiative should come from the relevant government bodies, and not from the funeral industry itself, because it is the government's duty to work in the best interests of its constituents and without the primary motive of financial gain.

2) The availability of burial spaces and options for increasing the supply of spaces

2.1) Environmental problems with burial

Cemeteries could be seen as an uneconomic use of a very precious resource: the land. They not only occupy large spaces of land, but also risk further damage or contamination of natural resources such as boar water reserves and other nearby water systems (columbarium.net website).

2.2) Environmental problems with cremation

Cremation is a form of air pollution. The process produces smoke and ash that escape into the air. While this form of pollution may be considered necessary and relatively small-scale, the long-term effect is in fact cumulative air pollution, which will only get worse as more funerals inevitably occur, and more people opt for cremation.

On the other hand, cremation ends with the remains being placed in a crematorium or columbarium, which is a far more economic use of land space.

2.3) Residual “fear” of cremation

While popular opinion seems to be changing, I have been aware of family or acquaintances who are uncomfortable with the concept of cremation. This could be for various reasons, but it could be inferred that people are more comfortable with choosing burial over cremation because the decomposition of the body is not a visible process, that is, graves retain a suggestion of size and substance, whereas cremains do not.

It must also be considered that Hollywood funerals always feature a burial, never a cremation, and I believe that the “Hollywood ideal” is a powerful influence not to be underestimated.

2.4) Recommendations

The air-pollution associated with cremation is undoubtedly in need of consideration. Nevertheless, crematoria and columbaria are a more ecologically and economically viable forms of memorial. Therefore, the first action needing to be taken is to educate people about the environmental impact of burial and to try to lessen the “fear” of cremation that exists within some members of the community.

Secondly, there are new processes of breaking-down human remains that could be developed and regulated by the government to be financially viable for the average family. For example, the Planet Ark website suggests that there are techniques “such as freezing bodies and breaking them down with sound waves”, (Planet Ark website).

3) The adequacy of legislation in meeting community needs

3.1) Lack of community dialogue about death and funeral funding

It is scary to face up to one's own mortality. It is far easier to ignore the notion of death by simply believing that it is a long way off in the future and that you won't be around to have to deal with its consequences. There are so many euphemisms for a person's death (such as "passed away", or "is at peace") that it almost seems inappropriate to say that someone simply "died". Understandably, people like to cushion the blow of these uncomfortable subjects. I see this trend as being detrimental to individuals and families coping with the realities of death.

Without community dialogue about the financial costs of death, including the funeral and the void that remains when the family wage earner is the one who dies, people in the community remain at risk of financial and psychological stress that could be alleviated by government education campaigns.

3.2) Recommendations

It is necessary to increase community understanding of the financial consequences of death. Awareness of the average total cost of a funeral service and of government endorsed funeral plan agencies could be spread by advertisement campaigns and through current affairs programs and newspapers.

Conclusion

The NSW Government is in the position where it can help reduce the high cost of funerals in general and to help reduce the occurrence of financial debt for grieving families. The government is also in the position where it can alleviate some of the environmental problems associated with both burial and cremation. I have suggested several pathways to financial and environmental sustainability that I hope the NSW Government can appropriate into successful policy.

Recommendations

- 1) That the NSW State Government consider cost regulation within the funeral industry, specifically in relation to the basic services that constitute a standard funeral and that these such be exempt from GST.
- 2) That in the short-term, the government should encourage cremation over burial through an awareness campaign, but in the long-term be searching for more environmentally sustainable methods of reducing human remains.
- 3) That the issue of death and funeral planning be opened for greater community discussion through an awareness campaign and that the government take responsibility for informing people about the risks of being unprepared for funeral expenses.

References

- Columbarium.net, *Death Care News* (1998) "Grave Concerns."
<<http://www.columbarium.net/news.asp>> [Accessed 19 May 2005].
- Meighans Funerals (Frank T. Meighan Pty Ltd), Broadmeadow, Newcastle.
- Planet Ark, *Reuter's World Environment News* (2005) "Undertakers See Baby Boomers Boosting Market" (17 September 2003).
<<http://www.planetark.com/dailynewsstory.cfm/newsid/22271/newsDate/17-Sep-2003/story.htm>> [Accessed 19 May 2005].